



NEWS RELEASE

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FOR IMMEDIATE RELEASE

USED CAR DEALER PLEADS GUILTY TO BANK FRAUD

SPRINGFIELD, Mo. – Todd P. Graves, United States Attorney for the Western District of Missouri, announced that a former Springfield, Mo., businessman pleaded guilty in federal court today to defrauding two banks in order to solve the financial problems of two used vehicle sales businesses.

Darren Eugene Newton, 44, formerly of Springfield, pleaded guilty before U.S. Magistrate Judge James C. England this afternoon.

By pleading guilty, **Newton** admitted that he devised a scheme to defraud Great Southern Bank and Empire Bank from 2001 through April 2002.

Newton operated two used vehicle sales companies in Springfield. He began operating Missouri Motor Company in October 1998, and Nationwide Auto Sales in approximately 2001.

Missouri Motor Company financed its vehicle sales business in large part through a line of credit at Great Southern Bank, in Springfield. Nationwide Auto Sales financed its vehicle sales business in large part at Empire Bank, in Springfield. The banks loaned each business money for the purchase of inventory and in return received a first security interest in the inventory purchased.

In the fall of 2001, Missouri Motor Company and Nationwide Auto Sales began experiencing serious financial problems, Graves said. In response to the financial problems, **Newton** devised and began executing a scheme to obtain money for Missouri Motor Company and Nationwide Auto Sales to which these businesses were not entitled, Graves said.

Newton caused both Missouri Motor Company and Nationwide Auto Sales to sell vehicles in which Great Southern Bank and Empire Bank had a security interest without paying to the bank the outstanding principal loan balance secured by the vehicle sold. **Newton** also borrowed money from both banks under the guise of providing the bank a first security interest in

a vehicle that the business did not actually own. Generally, Graves said, these were vehicles that the companies had sold and the purchaser had not yet picked up the title.

As a result of **Newton's** criminal conduct, Graves said, Great Southern Bank incurred a loss of \$69,537.60 and Empire Bank incurred a total loss of \$42,465.

Under federal statutes, Graves said, **Newton** could be subject to a sentence of up to 30 years in federal prison without parole, plus a fine up to \$1 million.

The case is being prosecuted by Assistant U.S. Attorney Douglas C. Bunch. It was investigated by the Federal Bureau of Investigation.

This news release, as well as additional information about the office of the United States Attorney for the Western District of Missouri, is available on-line at
www.usdoj.gov/usao/mow